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C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 003190

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STATE PASS AIT/W

E.O. 12958: DECL: 10/10/2013

TAGS: PREL PGOV CH TW
SUBJECT: TAIWAN PUTS POSITIVE SPIN ON PRC REJECTION OF

10/10 SPEECH

REF: A. TAIPEI 3077

¶B. TAIPEI 3162

Classified By: AIT Director Douglas Paal, Reason: 1.4 (B/D)

11. (C) Summary: Taiwan officials tried to put a positive spin on the PRC Taiwan Affairs Office (TAO) reported rejection of President Chen Shui-bian's October 10 inaugural address.

National Security Council (NSC) and Mainland Affairs Council (MAC) officials say that TAO Spokesman Zhang Mingqing's statement largely mirrored the PRC's May 17 Taiwan policy line and signaled that "the door to dialogue remains closed, but not necessarily locked." MAC Senior Vice Chairman Chiu Tai-san told reporters that the TAO spokesman's October 13 remarks would not alter Taipei's commitment to easing cross-Strait tensions. Officials admit that President Chen's assertion on October 10 that "the Republic of China is Taiwan" likely provoked the negative PRC statement, but claim that Chen needed to emphasize Taiwan's sovereignty to avoid a domestic backlash to his "1992 Framework" offer. One senior presidential advisor downplayed the significance of the PRC reaction, asserting that Chen's real audience on October 10 was Washington, not Beijing. End Summary.

TAO Rejects 10/10 Message

 $\underline{\ }$ 2. (C) Taiwan officials responded cautiously to media reports about PRC TAO Spokesman Zhang Mingqing's rejection of President Chen's 10/10 speech. NSC Senior Advisor for cross-Strait policy Chen Chung-hsin told AIT that Zhang's remarks were, in substance, largely a reiteration of the May 17 PRC policy statement on Taiwan. Chen stated that Zhang's comments suggested that "the door to dialogue remains closed, but not necessarily locked." MAC Planning Bureau Chief Chang Shu-ti offered a similar assessment, noting that Zhang responded to most questions during the TAO press conference with established policy formulations. Chang said that the similarities between the October 13 TAO press conference and the May 17 policy statement may indicate that the PRC leadership remains in an observation mode awaiting the outcome of elections in the United States and Taiwan.

Self-Inflicted Wound?

what is for domestic consumption.

13. (C) Chen administration officials say that the negative tone of the October 13 TAO statement was likely provoked by the president's emphasis on the sovereignty of the "ROC" and its 23 million people during his 10/10 speech. The NSC's and its 23 million people during his 10/10 speech. The NSC's Chen said that he fully understands why the PRC would be "allergic" to the president's "ROC equals Taiwan" formulation, but added that he is also sympathetic to the domestic political pressures the president faces from within his own camp. Chen said he hoped that Beijing would understand that, just as they have to make aggressive noises towards Taiwan to satisfy their own hard-liners, President Chen needs to also address his own fundamentalist base. "Perhaps this is wishful thinking," Chen added, "but I hope they can differentiate between what is meant for them and

14. (C) Executive Yuan (EY) Research, Development, and Evaluation Council (RDEC) Vice Minister Chen Chun-lin put a slightly different spin on the president's sovereignty formula, asserting that the PRC should understand that Taiwan also has its "bottom line." "Beijing needs to realize that we are ready to talk," he stated, "but only if they accept that we are an equal partner, not a local government." Chen added that if Beijing's precondition is that Taiwan accepts that it is part of Beijing's "one China," no president will be able to gain the necessary public support to open a political dialogue.

Taiwan Response: Patient and Maybe Even Unified

15. (C) The NSC's Chen said that the Chen administration will remain low-key on the TAO statement to see how things evolve over the coming weeks. When asked about the October 13 TAO comments, MAC Senior Vice Chairman Chiu Tai-san told reporters that Taiwan would continue to send positive signals

to Beijing to show Taipei's sincerity. Chiu said that Taiwan did not expect Beijing to immediately accept Chen's overtures and promised that Taipei would give Beijing more time to consider ways forward. A MAC press release issued later the day offered a similar message, and reiterated an October 11 offer to initiate talks on two-way direct charter flights for the Chinese New Year. MAC Planning Bureau Chief Chang told AIT that Taipei will continue to pursue the New Year charter plan, despite the TAO's reiteration that any cross-Strait links be considered domestic in nature. asserted that Taipei is prepared to authorize private entities to negotiate two-way charter flights, but said that MAC would not explicitly announce this until there was some signal from Beijing that talks on the subject may be possible.

- (C) The NSC's Chen told AIT that the immediate challenge facing the government is to get everyone back on the same Chen complained that Premier Yu Shyi-kun and MAC Chairman Joseph Wu should not have engaged in rhetorical debates with opposition legislators over the existence of a "1992 consensus" in the days following the president's 10/1 in the days following the president's 10/10 speech. Immediately after the October 13 TAO press conference, Chen said he personally called EY Spokesman Chen Chi-mai and MAC Chair Wu to ensure that everyone used the same talking points in their public comments.
- (C) While NSC and MAC officials search for small signs of flexibility from Beijing, Presidential Office Deputy Secretary General James Huang told AIT that the major

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objective of President Chen's speech -- satisfying Washington -- had already been achieved. Huang said that whether or not Beijing wants to talk to Taiwan is of secondary importance. "That's their decision," he asserted, "our main concern is reassuring the United States that we are trying to be constructive." Huang dismissed the domestic political debate over the "1992 consensus" that arose from Chen's 10/10 speech. "His reference to a '1992 Framework' had nothing to do with any '92 consensus," Huang stated, "he used the 1992 formulation to respond to (EAP) Assistant Secretary Kelly's April 21 description of the cross-Strait situation that existed in 1992.

Comment: Mixed Messaging Strikes Again

(C) President Chen's decision to use the same speech to achieve contradictory policy goals scuttled an important opportunity for cross-Strait progress yet again. It is clear whether this was his intention to start with, carelessness, or simply force of habit. It is certainly consistent with his past behavior. In any event, it appears from the October 13 TAO statement that Beijing has chosen, unsurprisingly, to focus on the portion of the speech Chen's aides say they were supposed to ignore. Given the negative tone of Beijing's public reaction to 10/10, we are not as optimistic as officials here that the PRC will reopen the door to contacts on New Year charters and other forms of dialogue any time soon. PAAL